

ADMINISTRATION TEAM MINUTES

Date: November 14th, 2003
Time: 9:00 am
Place: Tacoma AGC Building

<u>Attending</u>	Cathy Arnold	<u>✓</u>	Paul Gonseth	<u>✓</u>	Cathy Nicholas	<u>✓</u>
	Dave Banke	<u> </u>	Mike Hall	<u> </u>	Mark Rohde	<u>✓</u>
	Jerry Brais	<u>✓</u>	Ann Hegstrom	<u>✓</u>	Mark Scoccolo	<u>✓</u>
	Jeff Carpenter	<u>✓</u>	Ron Howard	<u>✓</u>	Greg Waugh	<u> </u>
	Forrest Dill	<u>✓</u>	Carl Jonasson	<u> </u>	Tom Zamzow	<u> </u>
	Doug Ficco	<u>✓</u>	Tina Nelson	<u>✓</u>		

Opening

The minutes of the October 17th meeting were approved.

Ron announced that Larry Schofield will be replaced, but not by Greg Kollé. Jeff Carpenter has changed assignments within the Construction Office and will be leaving the team when his replacement (both in the office and on the team) is named.

Roundtable

Jeff Carpenter described his new position which will be the Headquarters Construction overseer of alternative delivery methods, such as Design-Build and Consultant Contract Administration. Jeff says he will be re-starting the old AGC/WSDOT Design-Build Team.

Jerry Brais advises that King County's job at 277th is still on Ad and they hope to open bids next week. Small projects will be coming out in the next month or so. King County was hit hard by the court finding on Initiative 776. It looks like there will be \$4.3 Million coming out of the road program.

Tina Nelson advises that the Norpoint Way Arterial project has still not been awarded. Tacoma is losing \$3 Million per year from I-776, but has been planning that money for maintenance. Thus, the loss is a general fund issue and will not affect capital construction. Tina's 1-99 committee has been looking at Sections 1-04.6 and 1-07.18 for possible revisions for use on local agency work.

Cathy Arnold announced that John Chi will be taking over the project engineer position vacated by Brian Neilsen. She advises that the connection from 4th Avenue to Eastbound I-90 has been reopened.

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Roundtable (cont)

Mark Rohde reports that CBI has had a good year with a number of jobs closing out well. The firm is looking for more work, but with WSDOT headed for a down year in their type of work, they are doing most of their looking out of state.

Ann Hegstrom reports that the Sunset Interchange job in Issaquah is finally finishing up. There have been a lot of problems that cost money, but the job has been delivered on time. Kiewit is starting up the Sound Transit Maintenance facility in South Seattle and has made some minor starts at Port Angeles on the Hood Canal graving dock. Her office is preparing a proposal for a Manager/Contractor project on a sewer treatment plant in Woodinville.

Mark Scoccolo mentioned work at the Monroe Reformatory. He says the inmates are beginning to recognize his vehicles and doesn't know if that's good or bad. SCI is in fairly good shape with carryover work for next year.

Paul Gonseth notes that most work in the South Central Region has been completed or is shut down for the winter. The SR 240 bridge in the Tri-Cities is still underway.

Doug Ficco described a new position in Vancouver. Called the I-5 Freight Corridor Coordinator, the duties involve a Washington-Oregon partnership and will probably include looks at new crossings of the Columbia River. Work on the Lewis & Clark Bridge in Longview has smoothed out and is progression well. Two "nickel" jobs in Vancouver were designed for all-weather construction and are underway.

Cathy Nicholas says that FHWA has been participating in discussions about the Indian artifacts at Port Angeles and their effect on the Hood Canal project. She says that her office has processed a WSDOT \$10 Million request for Emergency Relief funding for last month's flooding and that approval looks good.

Forrest Dill notes that Atkinson's work in Bellevue and on SR 18 is going well. He says that Megan White, new WSDOT Environmental Manager, visited the SR 18 job. He thinks this is the largest environmental mitigation effort that WSDOT has undertaken (44 acres).

Ron Howard announced the new Standard Specs (little black book) and discussed the amendment process. The approach to the past two editions was to publish all amendments as soon as they were ready. This tended to cause large pink sheet sections in the plans. This time, judgements will be made as to whether an amendment is important enough to go immediately or if it should be held for the next published book. It was suggested that the "pay as you go" method has advantages in that users can see the changes a bit at a time instead of all at once.

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Roundtable (cont)

Ron Howard went on to suggest Prompt Pay as a possible Roundtable subject. Extensive discussion identified several aspects of Prompt Pay, including timeliness of estimate payment, use of deferrals, change order preparation and the payment of retention to subcontractors. It seems that there isn't a widespread problem, that the issues that have cropped up are a small minority of all payments. Unfortunately, the issues that do come up are usually related to big projects and involve a lot of money. It was agreed to create a subcommittee or task force to investigate these issues and develop alternative processes that will speed up payment in those exception cases.

Old Business—Temporary Traffic Control

Ron announced a plan to survey contractors and project engineers on trial jobs immediately after the first of the year. This will, hopefully, provide information for review at the January and February meetings and allow progress toward a spec recommendation by next Spring.

Old Business—Excellence Awards

Ron advised that only five applications were received in four categories. The fifth award will not be presented. The judges will evaluate the others on a "pass-fail" basis to decide if the sole entrant was an excellent job. If so, the trophy will be awarded. If not, then not. A survey of project engineers showed several reasons for the low response. First, there were not a lot of notable jobs completed this year. Secondly, the submittal process is difficult and time-consuming. Finally, project engineers' time has been diverted to accountability reporting and excellence nominations were the fallout. Two efforts will be made next year to get a better turnout. The nomination process will be simplified and brochures will be specifically mailed to the prime contractors on eligible jobs (previously, the brochures and a list of eligible jobs went to project engineers and the AGC office.)

Old Business—Insurance

Ron distributed the final draft of the new insurance specs. These will be published as amendments to the new 2004 book on January 5th and will be included in all jobs advertised after that date. The final document is attached to these minutes.

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Old Business—Schedules

The team continued last month's roundtable discussion of schedules, time for completion and other time-related issues. Additional points covered and made were:

- Maybe the State should not get the float time in cases where the schedule is not resource-loaded.
- Some members have doubts about the idea of shortening the time for completion when an early-completion schedule is received.
- There are different kinds of shutdowns and each has different features. A single spec does not address these well. The use of shutdown time for non-critical work is problematic. Weather shutdowns should be by agreement.
- Flexible start dates are desirable.
- Some offices are ordering shutdowns and not charging workable days when subcontractor availability affects the contractor's ability to complete the work.

Calling a temporary halt to the brainstorming, the team started trying to identify broad subject areas for work. It was observed that the Standard Spec sections seem to provide the broad areas desired, and in the logical order. Accordingly, the team agreed to pursue time issues in the following categories:

1-08.3 Progress Schedule

- Redefine/revise the entire specification.
- Provide flexibility whenever possible and avoid undue requirements
- etc

1-08.4 Prosecution of Work

- Flexibility in Start Time
- (____ calendar days from execution)
- Better defined execution (SCI)
- etc

1-08.5 Time for Completion

- Consistent charging of working days in new situations
 - 4 - 10 hr shifts
 - Nighttime work shifts
 - Special events, traffic restrictions, etc. - See bullets
 - Revise completion date to reflect submitted/approved schedule
 - Calendar Days
- etc

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Old Business—Schedules (cont)

1-08.6 Suspension of Work

- Expand to cover all potential/allowable suspensions
- Address how each suspension is handled regarding time and \$\$\$
- etc

1-08.8 Extensions of Time

- Quantity overruns / utility delays / third party delays
- etc

Future Meetings

January 16th, 2004 @ Tacoma AGC (9:00 am in the Boardroom)

February 13th, 2004 @ Tacoma AGC (9:00 am in the Boardroom)

March 12th, 2004 @ Tacoma AGC (9:00 am)

April 16th, 2004 @ Tacoma AGC (9:00 am)

May 14th, 2004 @ Tacoma AGC (9:00 am in the Boardroom)

June 11th, 2004 @ Tacoma AGC (9:00 am)

Assignment List

<u>Who</u>	<u>What</u>	<u>By When</u>
Ron	Initiate Prompt Pay Task Force	Jan 16 th

Team's "Round Tuit" List

1. Traffic Control Provisions
2. Insurance
3. Progress Schedules
 - Short-term Scheduling
 - Section 1-08.8, p5.c—Extensions for Quantity Overruns?
4. Disputes Review Boards
5. Tort Claims Liability/Accident Reports
6. Bid Item for On-site Overhead
7. Joint Training—Documentation
8. Payroll, Wage Administration procedures
9. Materials on Hand provisions
10. Web-Based Construction Management

Discussion of changes to insurance provisions

Standard Specification

In the first paragraph, we clarify the required duration of the insurance coverage. We want CGL and Auto to last until 30 days after all physical work (physical completion) or until acceptance by the Secretary, whichever is later. OCPI will have different limits, described below. It is thought that CGL and Auto will probably be in effect for a going concern contractor anyway and this definition will have no effect on the bid price.

The OCPI specs are revised to increase the limit to \$3,000,000 per occurrence and in the aggregate. Additional tweaks make the language similar to the CGL definition by adding the words “for each policy period.”

Additional OCPI language limits the duration of this coverage. It is felt that exposure will be minimal after substantial completion and that there will be some CGL coverage anyway. We compared the work at this time to the smaller job (see revised GSP below) where we are happy to eliminate OCPI in exchange for additional insured status on the CGL if the project is under \$500,000. Work on a bigger project after substantial completion should never approach a half million dollars.

The CGL specs are modified to raise the level of insurance to \$3,000,000 per occurrence and to keep this same amount in the aggregate. This was a compromise of sorts with the contractors who wanted to eliminate the OCPI and raise the CGL to \$5M. The spec also contains language that allows the \$3 Million coverage to be a combination of primary, umbrella and/or excess liability coverage. It is believed that some contractors would be unable to obtain the higher coverage without using some sort of overarching “umbrella” policy.

The added paragraph about deductibles was the most problematic. We want to hold down the cost of insurance because it is passed on to us. Contractors can achieve lower rates by accepting a deductible. The existence of a deductible causes finger-pointing to set blame and, therefore, responsibility for the deductible amount. To avoid this, we first ban deductibles on the OCPI policy and then assign the responsibility for deductible payments on CGL and Auto to the Contractor regardless of responsibility for the outcome of any claim.

A paragraph towards the end refers to “all insurance policies.” This is where we chose to insert the new language requiring “occurrence-based” claims forms. By this, we intend the insurance to apply to any event that occurs during the insurance period, regardless of when, during the state law statute of limitations, the claim is filed.

The payment provision gets added language to emphasize that deductibles are the responsibility of the Contractor.

General Special Provision

This is an old provision that we’ve used for small jobs for years. It eliminates the OCPI and adds the State as an additional insured on the CGL policy. This change raises the limit to \$500,000 and allows these smaller contractors to operate with only \$1,000,000 in CGL.

REVISIONS TO STD SPEC INSURANCE PROVISIONS

1-07.18 Public Liability and Property Damage Insurance

The Contractor shall obtain and keep in force the following policies of insurance. The policies shall be with companies or through sources approved by the State Insurance Commissioner pursuant to Chapter 48.05, RCW. Unless otherwise indicated below, the policies shall be kept in force from the execution date of the contract until the date of acceptance by the Secretary (Section 1-05.12).

1. Owners and Contractors Protective Insurance providing bodily injury and property damage liability coverage with limits of \$3,000,000 per occurrence and in the aggregate for each policy period, written on Insurance Services Office (ISO) form CG0009 together with Washington State Department of Transportation Amendatory Endorsement No. CG 29 08, specifying the State of Washington as a named insured.

The Contractor may choose to terminate this insurance after the date of Substantial Completion as determined by the Engineer or, should Substantial Completion not be achieved, after the date of Physical Completion as determined by the Engineer. In the event the Contractor elects to terminate this coverage prior to acceptance of the contract, the Contractor shall first obtain an endorsement to the Commercial General Liability Insurance described below that establishes the Contracting Agency on that policy as an additional insured.

2. Commercial General Liability Insurance written under ISO Form CG0001 or its equivalent with minimum limits of \$3,000,000 per occurrence and in the aggregate for each policy period. This protection may be a CGL policy or any combination of primary, umbrella or excess liability coverage affording total liability limits of not less than \$3,000,000. Products and completed operations coverage shall be provided for a period of one year following final acceptance of the work.
3. Commercial Automobile Liability Insurance providing bodily injury and property damage liability coverage for all owned and nonowned vehicles assigned to or used in the performance of the work with a combined single limit of not less than \$1,000,000 each occurrence with the State named as an additional insured in connection with the Contractor's Performance of the contract.

The Owners and Contractors Protective Insurance policy shall not be subject to a deductible or contain provisions for a deductible. The Commercial General Liability policy and the Commercial Automobile Liability Insurance policy may, at the discretion of the Contractor, contain such provisions. If a deductible applies to any claim under these policies, then payment of that deductible will be the responsibility of the Contractor, notwithstanding any claim of liability against the Contracting Agency. However in no event shall any provision for a deductible provide for a deductible in excess of \$50,000.00.

Prior to contract execution, the Contractor shall file with the Department of Transportation, Contract Payment Section, P.O. Box 47420, Olympia, WA 98504-7420, ACORD Form Certificates of Insurance evidencing the minimum insurance coverages required under these specifications.

All insurance policies and Certificates of Insurance shall include a requirement providing for a minimum of 45 days prior written notice to the Contracting Agency of any cancellation or reduction of coverage. All insurance coverage required by this section shall be written and provided by “occurrence-based” policy forms rather than by “claims made” forms.

Failure on the part of the Contractor to maintain the insurance as required shall constitute a material breach of contract upon which the Contracting Agency may, after giving five working days notice to the Contractor to correct the breach, immediately terminate the contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the Contracting Agency on demand, or at the sole discretion of the Contracting Agency, offset against funds due the Contractor from the Contracting Agency.

All costs for insurance, including any payments of deductible amounts, shall be considered incidental to and included in the unit contract prices and no additional payment will be made.

Changes to General Special Provision

GSP 07187.gr1

Instructions to Designers:

Use in all projects when the Engineer’s estimate is \$500,000 or less

(New Date)

Reduced Insurance Requirement

Section 1-07.18 is revised as follows:

Item number 1 in the first paragraph is deleted.

Item number 2 is replaced by the following:

2. Commercial General Liability Insurance written under ISO Form CG0001 or its equivalent with minimum limits of \$1,000,000 per occurrence and in the aggregate for each policy year. Products and completed operations coverage shall be provided for a period of one year following final acceptance of the work. The Contracting Agency shall be named as an additional insured on the policy.